G R. S. 59]

GENERAL AND REVENUE SECRETARIAT.

1903.

(Banking)

File No. 19-13

Serial Nos. 11-12

Papers Filed.

Month November 1913

SUBJECT.

With reference to the application of Mr G. Rangiah Corporate Accountant informs that his name has been duly noted

PREVIOUS REFERENCES.	LATER REFERENCES.
S124-73 / B9-12-2 and 12-3-13	H Dep 76-13

G.R.S. 11] 1913-14

GENERAL AND REVENUE SECRETARIAT.

(Banking

NOTES.

File No. 19

FILE HEADING.

Bank of Mysore

From Sir G. Sa. Ramiah, Corporate Accountant

No. Nil Dated 19.9.13 Received 2.10.13

Diary No. 1471	Enclos. 2 Spare Copies.	Serial No. 11

BRIEF ABSTRACT OF LETTER.

Offers his services as a professional auditor to be appointed by Govt for auditing the accounts of the Bank of Mys

NOTES AND ORDERS.

The application is with reference to clause 9 of para 2 of G.O No 872 F 12-3-13 sanctioning the formation of the Bank of Mysore. B 9-12

It is however doubtful whether an

NOTES—First Sheet.

GPB—35,000—15-6-12

General and Revenue Secretariat. | B File No. 17 of 1913.

Serial No.

extra appointment of an auditor was contemplated under the terms of the G.O. of the 12th March 1913 - other than the existing staff in the Comptrs' offices. Sd for orders.
Sd Illegible
22/10.

I do not think Govt intend to appoint either a whole time (Parkers) accts. or require the assistance of one such to audit the accts of the Bank. The work can easily be done by the Officers of the Accountant's Office assisted by a clever Clerk who knows bookkeeping. The applicant may perhaps be told that his name has been noted.

Sd Illegible

Sd Illegible

A - Yes - I have asked for a hand on Rs 100/- to help us in the various commercial audits including the Bank audit and the reference is pending before Govt. - If my request is granted and a suitable hand has to be selected the applicant may have a chance -

Sd Illegible

GPB—60,000—25-9-13.

Sd Illegible

Sd Illegible

R. S. 12]

General and Revenue Secretariat. | B File No. 19 of 1912.

Serial No.

Draft Sanctioned.
Sd/ 27/10 SW/29/1

12 Shri [illegible] Ramaiah
Reg No H 1990 of 4-11-13
Informs that his name
has been duly noted

68/6 Srig

Calcutta, dated the 19th Septr.1913.

To

The Chief Secretary,
to the Government of Mysore,
B A N G A L O R E.

Sir,

I understand from the Prospectus of the Bank of Mysore Limited, that your Government, amongst numerous other concessions, has also granted a concession in the matter of appointing an Auditor, free of charge, every year to audit the accounts of the Bank.

In the event that you are appointing a professional Auditor, I beg to offer my services for the same. I have passed the several commercial examinations of the Government of Madras and have been associated a member of the corporation of Accounts Ltd. Further I have been a professional Accountant and Auditor for some years past and may assure that the -- Government may rely on me for a thoroughly efficient and -- independent audit. I may add that I have been the Auditor on behalf of the Administration of the Central Provinces and -- Berar for the provincial cooperative Bank Ltd., at Jubbulpore, copies of annual reports and an extract from a letter from the Registrar of Cooperative Societies of that Province are enclosed herewith for your perusal. If necessary I shall be glad to call at your office on your advice.

I beg to remain,
Sir,
Your most obedient servant,

G. M. Rangaiah

Extract from a letter from the Registrar of Cooperative Societies, Central Provinces and Berar dated the 23rd July 1

× × × ×

2). I am very pleased to inform you that the General meeting elected you as Auditor of the Bank for the year 1913-14. And I hereby authorise you to audit the Accounts of the Provincial Bank for the year 1913-14 on my behalf. I approve of your proposal to audit the Bank half-yearly and request that you will be so good as to do so. I have sent you a Cheque on Calcutta for your Audit fee.

× × ×

Sd. H.R. Brosthwaite.

THE PROVINCIAL CO-OPERATIVE BANK, LIMITED,

CENTRAL PROVINCES & BERAR.

(Registered under Act II of 1912. The Co-operative Societies Act.)

Authorized Capital :—

600	Founders shares of Rs. 500 each	Rs.	300,000
4000	Preference shares of Rs. 100 each	,,	400,000
		Rs.	700,000
	Paid up Capital	,,	284,875
	Reserve Liability of shareholders	,,	297,925
	Reserve Fund (in Government paper)	,,	20,000

BOARD OF DIRECTORS (1913-1914).

Diwan Bahadur Seth Ballabhdass (*Chairman*).

The Hon'ble Sir G. M. Chitnavis, K. C. I. E.

Rai Bahadur Seth Jiwandass.

Rai Bahadur Beharilal Khazanchi.

Pandit Raghunath Rao Abasahib.

The Agent, Allahabad Bank, Jubbulpore Branch.

Sir Kasturchand Daga, K. C. I. E., Diwan Bahadur, Rai Bahadur.

Rao Bahadur Ramkrishna Raoji Pandit.

Rai Sahib Debi Prasad Choudhri.

Mr. Yado Amrit Deshmukh.

Mr. Narayan Tukaram.

REGISTERED OFFICE :—56, Civil Station, Jubbulpore.

MANAGER :—Mr. K. D. Tutacnay.

AUDITOR :—Mr. G. M. Rangiah, C. R. A., Corporate Accountant.

BANKERS :—The Allahabad Bank, Limited, Jubbulpore.

Second Annual Report for the year ending 30th June, 1913, submitted to the General Meeting of shareholders held at Jubbulpore on the 15th July 1913.

THE SECOND ANNUAL REPORT

OF

THE PROVINCIAL CO-OPERATIVE BANK, LIMITED

CENTRAL PROVINCES AND BERAR.

For the year ending 30th June 1913.

Your Directors have the honour to present the second year's report on he work of the Bank during the twelve months ending 30th June 1913.

Review of the year.

As anticipated in the last report, the co-operative year under notice (July 1st, 1912—June 30th, 1913) was one of great progress for the Bank. There are at present 25 central banks in the Central Provinces and Berar with over 1500 rural agricultural societies affiliated to them and, as a Provincial financing agency, the Bank has had to cope with the increasing demands of these co-operative institutions. At the same time, the measure of assistance given has not been by any means out of proportion to the resources which central banks have been able to raise for themselves locally; and as central banks increase their own resources your Directors will have to face fresh administrative and financial problems the solution of which is even now engaging their attention. The Directors note with pleasure that from the co-operative point of view their Bank has been watched with approval. This aspect of their work is seen in the visits of two Registrars of other Provinces to the Jubbulpore office of the Bank.

Shares

Out of 600 Founders shares, 550 have been subscribed and fully paid. There are no calls in arrears.

Out of 4000 Preference shares, 3136 have been taken up. These have been allotted and 1/20th of the face value has been called up, One Preference share has been fully paid up: and out of Rs. 15,675 due on 3135 shares only Rs. 5,900 remain for collection and this amount your Directors will realize without any difficulty.

Reserveability of areholders.

The "capital of Guarantee" or, in other words, the reserve liability of shareholders in respect of the Preference shares of the Bank amounts to Rs. 297,925. This amount can be called up as required in accordance with the by-laws of the Bank and furnishes substantial security to depositors and

The overdraft with the Allahabad Bank on the 30th June, 1913, amounted to Rs. 320,562-2-1 as compared with Rs. 47,163-9-4 on the 30th June 1912. The Bank was not open to deposits during the year under review; and in order to meet the fluctuating and uncertain demands of the Central Banks the Bank had to borrow freely in the market. This overdraft is covered by pro-notes executed by rural societies and backed by central banks, and these pro-notes are backed again by the Provincial Bank and then lodged with the Allahabad Bank.

The gross profits of the Bank for the year amount to Rs. 29,239-14-8. This, in the first full working year of the Bank, must be regarded as very satisfactory. After deducting the interest on overdraft and the establishment charges, the net profits amount to Rs. 18,315-11-9. The net profits for disposal, together with the balance brought forward from last year, aggregate Rs. 19,070-15-2.

Up to August 1912, the business of the Bank was looked after in detail by Mr. Crosthwaite who floated the Bank. This arrangement could not, of course, continue for long. In August, 1912, the Bank opened its own office and a Manager was appointed to work under the Registrar's instructions. This arrangement is, your Directors consider, the best possible one and it will have to continue for some considerable time to come. The staff will be strengthened as necessity arises.

There were only 5 central banks in account with the Bank on the 30th June 1912. During the year 16 central banks entered into account so that at present there are 21 central banks in business connection Loans granted to central banks during the year amounted to Rs. 608,436-7-3, and Rs. 292,002-8-3 were repaid. The total loans outstanding on the 30th June 1913 amounted to Rs 623,196-14-12. Most of the banks have been granted cash credits; and it is very satisfactory to note that repayments were in all cases punctual. There are no overdue loans. All advances are secured both by agreements and pro-notes executed by rural societies and endorsed by the central banks in favour of the Provincial Bank.

The reserve fund of the Bank is invested in Government paper. This year the profits of the Bank would admit of a dividend at the rate of 5 % after carrying ¼ of the net profits to the Reserve Fund. But, after full consideration, your Directors recommend a sacrifice of dividend in favour of the Reserve Fund, and in this view they are certain they will have the full support of all shareholders who place safety, prudence, and the welfare of the Bank above immediate profits. Your Directors have in mind the speedy attainment of a stable dividend; and this end can only be attained by the construction of a substantial reserve. Moreover the Provincial Bank must,

in this vital matter, set a good example to the central banks on the prosperity of which it's own welfare depends. Further, the General Meeting is about to consider a proposal to amend the by-laws and throw the Bank open to deposits. If deposits are accepted it is the first duty of shareholders to strengthen reserves in order to furnish additional security to depositors and inspire confidence in the Bank. Your Directors recommend, therefore, that after the necessary charges for the Auditor's fees and expenses have been provided the whole amount of the net profits available for distribution be transferred to the Bank's Reserve Fund and invested in Government paper.

The audit of the Bank is under the legal control of Government; and the Registrar has full powers to delegate his duties as regards audit to any competent person he approves of. As Mr. Crosthwaite has been working for the Bank as it's guiding authority he refused to carry out the audit of operations in which he was himself concerned. The accounts of the Bank for the year were, therefore, audited by Mr. G. M. Rangiah, C. R. A., Corporate Accountant of Calcutta, who has submitted his report to the Registrar, Co-operative Societies, C. P. In this report he says "the accounts of the Bank have, on the whole, been well and carefully kept and I have no serious irregularities to report to the Registrar."

Your Directors notice Mr. Tutacnay's work with much approval and once more express their deep debt of obligation to Mr. Crosthwaite for his sound and expert advice. They also desire to thank Mr. Smart of the Allahabad Bank for the courteous and considerate manner in which he has met them in matters of business.

Diwan Bahadur Seth Ballabhdass,

CHAIRMAN,

Board of Directors.

THE PROVINCIAL CO-OPERATIVE BANK LIMITED, C. P. AND BERAR.

Profit and Loss Account for the Year Ending 30th June 1913.

Dr.	Rs.	A.	P.	Cr.	Rs.	A.	P.
Interest on overdraft	8,938	0	3	Interest earned	29,239	14	8
Rent	140	0	0				
Establishment	1,130	13	2				
Printing and Stationery	179	7	6				
Postage and Telegrams	80	14	0				
Contingencies	157	15	0				
Commission on capital held in reserve liability ..	114	8	0				
Depreciation	429	6	0				
Preliminary expenses written off	53	3	0				
Net Profit.	18,315	11	9				
TOTAL Rs. ..	29,239	14	8	TOTAL Rs. ..	29,239	14	

JUBBULPORE.
15th July 1913.

K. D. TUTACNAY,
Manager.

Examined and Found Correct.
G. M. RANGIAH, C. R. A.,
AUDITOR.

DIWAN BAHADUR,
SETH BALLABHDASS,
Chairman.

THE PROVINCIAL CO-OPERATIVE BANK LIMITED, C. P. AND BERAR.

Balance Sheet as at 30th June 1913.

LIABILITIES.							
Share Capital.							
AUTHORISED.							
600 Founders Shares of Rs. 500 each ...	Rs. 3,00,000						
4000 Preference Shares of Rs. 100 each...	Rs. 4,00,000						
Total ...	,, 7,00,000						
SUBSCRIBED							
550 Founders Shares of Rs. 500 each ...	Rs. 2,75,000						
3136 Preference Shares of Rs. 100 each ...	Rs. 3,13,600						
Total ...	,, 5,88,600						
PAID UP.							
550 Founders Shares of Rs. 500 each		2,75,000	0	0			
3135 Preference Shares at Rs. 5 each (1st call) ...	Rs. 15,675						
Less unpaid ...	Rs. 5,900	9,775	0	0			
1 Preference Share at Rs 100 ...		100	0	0			
					2,84,875	0	0
Allahabad Bank overdraft ...					3,20,562	2	1
Reserve Fund					1,108	11	3
Unclaimed Dividend... ...					14	9	4
Sundry Bills Due					202	14	8
Commission on Capital of Guarantee					114	8	0
Provident Fund Account ...					0	4	0
PROFIT AND LOSS ACCOUNT.							
Balance Brought forward ...		755	3	5			
Net Profit for this year ...		18,315	11	9	19,070	15	2
TOTAL ...					6,25,949	0	6

ASSETS.		Rs.	A.	P.	Rs.	A.	P.
Loans Due by Central Banks ...					6,23,196	14	1
Furniture							
Book value ...	...	1,293	12	6			
Less 10% Depreciation ...		129	6	0			
					1,164	6	6
Reserve Fund Investment ...					1,057	4	3
Preliminary Expenses ...					212	0	0
Registration fees Due					95	14	9
Sundry Bills Recoverable ...					169	12	1
Insurance Premium paid in advance ...	...				16	10	8
Dividend Deposited with Central Banks ...					10	0	6
Cash on hand with Manager					26	1	8
TOTAL					6,25,949	0	6

K. D. TUTACNAY,
Manager.

Examined and Found Correct,
G. M. RANGIAH, C. R. A.,
AUDITOR

DIWAN BAHADUR SETH BALLABHDASS.
Chairman.

REPORT

ON THE WORKING OF THE

PROVINCIAL CO-OPERATIVE BANK Ltd.

CENTRAL PROVINCES & BERAR

FOR THE PERIOD ENDING

30th JUNE 1913.

G. R. S. 26] 21/10

File No. 19

Serial No. 12

Diary No. of letter replied to- 1471

End L No 1990
No 24 & 4-11-1913

General and Revenue Secretariat
(Bank)
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To the reference to his petn No 1471 & 19-9-1913 offering his services for auditing the accts of the Bank of Bengal, Mr G. de Penguish, C.R.A. Corporate Accountant is informed that his name has been noted.

Date of issue 4-11-13

Signed by W L Harrison

for H Levy

over

SUBJECT.

Mr G. de Penguish
68/6 Gopal Mullick Lane
Bow Bazar
Calcutta